

October 25, 2000

without his financial wherewithal, the ability to successfully wage the Revolutionary War—and become the great country we are—would have been lost.

SOUTHEAST TEXAS
ENTERTAINMENT COMPLEX

HON. NICK LAMPSON

OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, October 25, 2000

Mr. LAMPSON. Mr. Speaker, I rise today to recognize the groundbreaking of a new comprehensive entertainment complex in Southeast Texas. I specifically want to commend Jefferson County Judge Carl Griffith for his efforts in making the establishment of this facility a reality.

The development of the Southeast Texas Entertainment Complex means great things for the people of Southeast Texas. This 221 acre facility, which is scheduled to be completed by 2002, will contain a new fair grounds with 10 acres of midway; paved parking for 9000 vehicles; 80,000 square feet of air-conditioned exhibit and convention space; an air-conditioned rodeo arena; an outdoor concert pavilion; Olympic-standard softball complexes; a recreational vehicle park; a Regional Visitor's Center; jogging trails; and a wildlife habitat. This facility truly presents great opportunity for the citizens of Jefferson County and Southeast Texas.

This facility is slated to create an estimated 1,238 new jobs producing more than \$121.9 million paid in salaries to new workers. In addition, an estimated \$481 million will be pumped into the local economy. The Southeast Texas Entertainment Complex is expected to draw over 7.8 million visitors, nearly 3 million of them from outside the area.

Mr. Speaker, I am truly excited about the creation of this park and what this presents to the citizens of Southeast Texas. This facility will present phenomenal cultural, economic, and recreational opportunities to the citizens of Texas. I would once again like to offer my sincere gratitude to those who have helped to make the Southeast Texas Entertainment Complex a reality.

COSMETOLOGY TAX FAIRNESS
AND COMPLIANCE ACT OF 2000

HON. NANCY L. JOHNSON

OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, October 25, 2000

Mrs. JOHNSON of Connecticut. Mr. Speaker, I have introduced the "Cosmetology Tax Fairness and Compliance Act of 2000" to extend the same tax fairness provision applied to the tip-intensive restaurant industry, to the tip-intensive cosmetology industry. Just like restaurant owners, this legislation will permit salon owners to claim a credit against income tax for the employer's share of FICA (Social Security and Medicare) tax paid on tips paid to their employees.

Under current law, salons are required to pay FICA taxes on tips paid to their employ-

EXTENSIONS OF REMARKS

ees even though the employers do not pay the tip compensation to the employees or control the amount of tip compensation paid to their employees. The credit would be allowed only for FICA tax on tips paid to employees. It would not be allowed for SECA tax (Social Security and Medicare tax paid by the self-employed) paid by individual salon owners and independent contractors on tips that they receive.

In addition, the Act will also help to correct the problem of systemic tax evasion in the cosmetology industry. This proposed legislation would close a loophole in a group of tax compliance provisions that are intended to encourage everyone to comply with the tax law. Under present law, when an independent contractor provides services to a business, the business generally must provide the independent contractor with a Form 1099, and the IRS with the information contained in the Form 1099. This is vital information for the IRS because the form tells the Service the address and taxpayer identification number ("TIN") of the independent contractors. The IRS can then check to see if tax returns were filed by them. However, under current law, Forms 1099 are not provided to cosmetologists who are independent contractors because they are technically providing their services to individual customers, rather than to businesses. The legislation requires salon owners (and others who lease space to hairstylists and other cosmetologists) to provide a type of Form 1099 to stylists and other cosmetologists operating as independent contractors on their premises, and to provide the IRS with the names, addresses and TINs of the independent contractors. It also requires salon owners (and other lessors) to provide a copy of an IRS publication describing the tax obligations of independent contractors. The IRS has a publication, Publication 3518 Beauty Industry Federal Tax Guidelines, that can be used for this purpose.

This minimal reporting requirement will go a long way in solving the widespread tax cheating that currently occurs in the professional salon industry. Today, thousands of law-abiding salon owners who pay their taxes, are placed at a competitive disadvantage by a persistent minority of the salon industry who do not report or underreport their revenues and tips. Legitimate salon owners are hurt when some stylists leave to become independent contractor "booth renters" believing their take home pay will increase because they won't report all (or any) of their revenues and tips. Legitimate salon owners are forced to replace the departed stylist, as well as losing the customers who follow the stylist to the underground economy.

Simple equity requires that salon owners not be asked to pay tax on tips that others choose to pay to their employees. The cosmetology industry should be placed on an equal footing with the restaurant and food delivery industries. Further, law-abiding salon owners should not be penalized and placed at a competitive disadvantage because they pay their taxes while others in the industry do not.

This identical bill was introduced in the other body by Sen. Rick Santorum. (R-PA). While Congress is not expected to act on this legislation in the waning days before adjournment,

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this legislation lays down a marker for reintroduction next Congress when we will push for enactment.

I urge my colleagues in the House to review this proposed legislation and to cosponsor the "Cosmetology Tax Fairness and Compliance Act" when it is reintroduced in the 107th Congress.

TRIBUTE TO LEO JOHN DEJAN

HON. JULIAN C. DIXON

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, October 25, 2000

Mr. DIXON. Mr. Speaker, I am pleased to pay tribute today to musician and octogenarian Leo John Dejan, of Los Angeles, California.

Born on May 4, 1911, in New Orleans, Louisiana, to John Dejan and Elodie Planchard Dejan, Leo began his musical career when at the tender young age of seven, he learned to play the violin. He went on to master the trumpet and by the time he was twelve, young Leo was earning money as a professional musician. In 1923 along with his brother, Harold, he formed his own band, calling it "The Original Moonlight Serenaders." The following year, Leo changed the name of the band to the "Black Diamond Orchestra." The Black Diamond's were very popular throughout New Orleans, French Quarter and on Lake Pontchartrain, playing at carnivals, in parades, and at dances. On occasion, they would play with legendary jazz musician Louis "Satchmoll" Armstrong.

Leo studied music at Xavier University in New Orleans. He became the school's bandmaster and in 1933 organized the university's first school band. While attending Xavier, he met Sister Katherine Drexel, founder of the Order of the Blessed Sacrament who on October 1, 2000, was canonized by Pope John Paul. Little did he know the significance of their meeting at that time, but today Leo is profoundly moved by his chance encounter with this remarkable woman, a former Philadelphia socialite and philanthropist, who would become Saint Katherine.

With the outbreak of World War II, Leo volunteered for duty with the United States Navy, serving as bandmaster at Lake Pontchartrain Naval Station. For a time, Leo's band could be heard every Sunday evening on the "Skyway to Victory" radio program on New Orleans radio station WWL.

On July 16, 1937, while still in the Navy, Leo married Helena Charbonnet. The couple had three children: son, Leo, Jr., and daughters Glynis Ann and Debbie Marie. The Navy transferred Leo and his family to Treasure Island in San Francisco, California, in 1944. After the war, they returned to New Orleans where Leo taught mathematics and music at Xavier, and returned to his musical career playing lead trumpet in local bands.

After his service with the Navy ended, in 1947 Leo and Helena moved the family West to Los Angeles. There he joined the city of Los Angeles' Bureau of Music as a contractor to the Parks and Recreation Department. He provided concert, Dixieland, and "longhair"